



Indiana Economic Development Corporation

One North Capitol, Suite 700
Indianapolis, Indiana 46204
Tel 317.232.8800
Fax 317.232.4146
www.iedc.in.gov

June 3, 2008

Dawn Adams
Office of Legal Affairs
Indiana State Department of Health

Dear Ms. Adams:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana State Department of Health ("ISDH"), and contained in LSA Document 07-488. House Enrolled Act (HEA) 1678 establishes a tax credit program for small employers that offer wellness programs to employees. The wellness programs must be certified by the ISDH in order to be eligible for the tax credit program. HEA 1678 also requires that ISDH promulgate rules to establish the minimum standards for use by a small employer in establishing a wellness program and establish criteria and a process for certification of wellness programs that meet the minimum standards. The proposed rule adds 410 IAC 31 to establish minimum standards for use by a small employer in establishing a wellness program. Those minimum standards are that the small employer provides rewards for employee appropriate weight loss, smoking cessation, and pursuit of preventative health care services. The rule also establishes criteria and a process for certification and recertification of wellness programs that meet the established minimum standards.

There may be up to twenty-five thousand (25,000) small employers that could qualify for this program. The only small businesses incurring costs will be those that choose to implement a wellness program and seek the tax credit. Minimal additional cost will be incurred in reporting, record keeping and administration. The rule requires annual reporting once a wellness program is certified in order to maintain certification.

Since participation in the tax credit program is completely voluntary, businesses do not have to incur any costs unless they elect to participate in the program. Small businesses that elect to participate will be able to control the amount of money they spend on the wellness program. The tax credit established under HEA 1678 also provides a benefit that can offset up to 50% of the costs associated with establishing the wellness program.

The IEDC does not object to economic impact to small businesses contained in the proposed rule changes. This rule does not impose any costs on small businesses. If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry
Assistant Vice President
Indiana Economic Development Corporation